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INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4652
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4893
RUEHKA/AMEMBASSY DHAKA PRIORITY 0013
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2885
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C O N F I D E N T I A L KATHMANDU 002154

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TAGS: [PGOV](#) [PTER](#) [NP](#)
SUBJECT: ARMS MANAGEMENT STILL KEY ISSUE BUT TEMPORIZING
AGREEMENT POSSIBLE

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary -----

¶1. (C) Since the August 3 departure of the UN assessment mission without a deal on arms management, the Government of Nepal (GON) and Maoist negotiating teams have struggled to reach an agreement. Neither party wants to be blamed for missing this opportunity for peace. According to at least one source in the Prime Minister's Office, the Prime Minister may offer the Maoists a deal as early as tomorrow which would defer the question of separating the Maoists from their arms until later -- but before the creation of the an interim government with Maoist participation. End Summary.

Talks Continue -----

¶2. (C) Despite the departure on August 3 of the UN assessment mission Staffan de Mistura led, the GON's negotiating team and the Maoists have continued to try to reach agreement on the central question of management of the Maoist arms. According to our sources, Maoist leader Prachanda continues to push for language that puts the Maoist combatants under UN monitoring in designated cantonments with their weapons. The GON's negotiating team led by Home Minister Sitaula is inclined to settle with the Maoists on vague language that does not make the separation of Maoists from their arms explicit. Prime Minister Koirala has held firm despite public criticism by Maoists and their sympathizers, notably in a speech by Maoist no. 2 Baburam Battarai on August 7 at a business federation conference, that the PM was being obstructionist.

Deal Still A Possibility -----

¶3. (C) PM Koirala's foreign policy advisor Chalise told pol/econ section chief August 8 that a deal could come as soon as August 9. (Note: At the time of his departure, de Mistura told the Nepalis that they had an additional six days to reach agreement if there was to be UN involvement. Neither side wants to be blamed for missing this opportunity for peace and both sides have publicly acknowledged their desire for a UN role. End note.) Koirala's tactic,

according to Chalise, is to wait until the last possible moment, namely August 9, to agree in order to ensure the best possible terms for the government.

14. (C) According to the latest language of the crucial section of a draft letter to UN Secretary General Annan requesting UN involvement which Chalise showed us, the Maoist combatants with their weapons would be monitored by the UN within designated cantonments. "Later" the parties (the GON and the Maoists) and the UN would decide on the modalities for "handling the Maoists arms and munitions" but at any rate before the creation of an interim government. Chalise said the PM would like to make the separation of the Maoists from their arms explicit, but he too does not want to miss an opportunity for peace. The language was currently under discussion, but he may agree as early as noon on August 9.

Comment

15. (C) Under current conditions it is difficult to assess whether there will be a deal. The proposed deal fudges the core issue -- the ultimate deprivation of Maoist weapons -- to an extent that may be acceptable to the two sides for now. Ultimately, however, if this deal goes through, the GON will still have to decide whether it sticks to its bottom line of not letting the Maoists into the government while they retain their weapons. Needless to say, we will continue to buck up the government on the issue of Maoist arms.
MORIARTY